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# SelfISH EUROPE

How the Economic Partnership Agreements  
would further contribute to the decline of fish  
stocks and exacerbate the food crisis in Senegal



## Summary

Fish is the most important source of cheap protein for Senegalese people, over half of whom live below the poverty line, and for many people living in the landlocked countries in the sub-region. With one in six Senegalese working in the sector, fisheries provide a crucial source of jobs and income. Women play a major role, both in processing and marketing the fish.

Against a background of unprecedented food shortages, including in Senegal, this study aims to analyse how the Economic Partnership Agreements currently under negotiation between the EU and West Africa impact on the Senegalese fishing sector, on the population's food security and particularly on the livelihoods of women. The study focuses on the role played by the EU and the role it plays in overexploiting Senegal's marine resources, before dealing with the burning issue of the Economic Partnership Agreements (EPAs)

This report is based on field studies conducted in February and April 2008 in communities where ActionAid works in Senegal. The study also relies on contributions and analysis from ActionAid partners specialising in fishing issues and commercial relations between West Africa and the European Union.

The study confirms that years of over-exploitation of fishing resources have seriously affected the food security of millions of Senegalese who, directly or indirectly, depend on fishing for their survival.

Reports from the Saloum islands in April 2008, reveals a deterioration in the food supply of communities that live exclusively by fishing. Individual testimonies show how the scarcity of fish is forcing people to migrate to Europe and how women are finding it increasingly difficult to feed their families.

Evidence gathered in Dakar also confirms that women working in the processing industries, are suffering.

The European Union is continuing to contribute to over-fishing via the stranglehold of its companies over the most lucrative areas and by circumventing rules that were established to protect the national industry and fishing communities.

Within this context, the study reveals that EPAs are likely to increase the overexploitation of fish with negative consequences for the right to food of local people. EU demands to include services and investment provisions in the EPAs are likely to lock in the existing exploitative practices of European fishery operators in Senegal - such as the "Senegalisation" of European boats, buy out and cumulation of quotas, and transshipment as well as repatriation of capital - and reduce the efforts of the Senegalese government to regulate access and control in favour of local people.

The report concludes that the Senegalese government must stand firm in refusing to sign these agreements.

The study recommends the suspension of EPA negotiations and the drafting of development agreements with the European Union that would support the Senegalese government in developing and implementing fisheries protection policies and measures to support those people whose food security has been hardest hit by over-fishing.

## Introduction

With a 700 km coastline and a continental plateau of 23,000 km<sup>2</sup>, Senegal's principal wealth is the sea and its resources. With 70% of protein consumed coming from fish, the sector plays a fundamental role in ensuring food security for Senegalese people. Fisheries also plays an important role in the national economy and livelihoods of poor people, particularly women.<sup>1</sup>

Against a background of unprecedented food shortages in a number of countries, including Senegal, there is an urgent need to analyse the situation in the Senegalese fisheries sector, the role that Europe has been playing in the crisis that is affecting it and the future prospects for the sector in the light of the negotiations around the Economic Partnership Agreements.<sup>2</sup>

For almost three decades European ships have had access to West African waters, including Senegal's, through fishery agreements. Today, we are faced with a situation of stock depletion in Senegalese waters in which Europe has a major responsibility. Since 2006 the Senegalese government has not renewed fishing agreements<sup>3</sup> with the European Union in an attempt to limit access to fish and refocus on national level food security and the development of its national industry.

Nevertheless, there are diffused practices among European fisheries operators in Senegal – such as the so-called “Senegalisation” of European boats, buy out and cumulating of Senegalese fishing quotas, transshipment<sup>4</sup> and repatriation of profits - which bypass the government's attempts to regulate access to and control of the marine resources. These practises do not provide long-term development benefits for the country and stand to be locked in and exacerbated by the Economic Partnership Agreements through provisions in the services and investment sector.

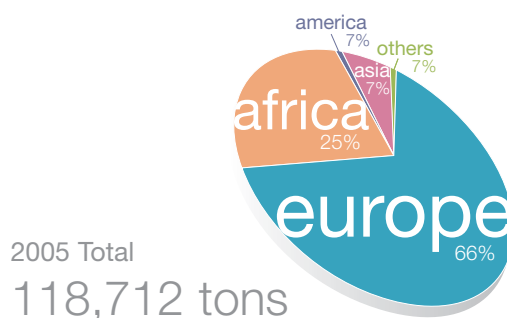
The European Union and the 76 African, Caribbean and Pacific (ACP) nations are currently negotiating Economic Partnership Agreements (EPAs), which will redefine their economic and commercial relations. Senegal is part of a group of West African countries negotiating as ECOWAS + Mauritania. By December 2007, the date initially scheduled for completion of the negotiations, less than 50% of ACP countries had signed an EPA. Senegal was one of the countries that refused to sign,

highlighting its concerns and arguing that a development dimension of the agreement had been largely overlooked by the European Commission.

The regional dimension of the negotiations, the commonality of the fisheries issue within West Africa and the fact that the EPA texts proposed by the EC are substantially similar in the different regions in Africa, suggest the analysis carried out in the case of Senegal can be extended across West Africa. The analysis on how fisheries investments may be treated under EPAs is corroborated by the previous experience of the EU-Chile association and free trade agreement signed in 2002<sup>5</sup>.

### Graph no. 1: Breakdown of exports by market

Export of maritime products by destination (tons)



Source: Department of Fish Processing Industries in Senegal (DITP)

- <sup>1</sup> With a GDP per inhabitant of 1.8\$ (1.14 €) Senegal lies in 156th position out of 175 as defined by a human development index, based on a ranking of 175 countries. 57% of Senegalese, or over 6 million people, live below the poverty line. Life expectancy is 51 years for men and 54 for women.
- <sup>2</sup> The decline in stocks affects industrial fishing, which trawls the “noble” species. Between 1994 and 2005, catch volumes have fallen from 95,000 tons to 45,000 tons (source: Department of Maritime Fishing, Senegal DOPM)
- <sup>3</sup> The first fisheries agreement was signed with the EU on June 15 1979 for a two-year period. It readjusted prior agreements that had been concluded separately with France, on September 16 1974 and Italy, on January 17 1975 to apply to all the EEC Member States. The fourth protocol, which was signed on October 1st 1986 incorporated, from March 1st 1987, the offer of fisheries access to Spain and the corresponding financial compensation. Although Spain had been an EEC Member State since January 1st 1986, it was granted a derogation enabling it to continue its bilateral cooperation with Senegal on fishing issues until February 28th 1987.
- <sup>4</sup> In this case the term specifically indicated the transfer of fish from (smaller) boats to a (bigger) one in the seas for immediate transport to Europe without landing of catch in Senegal
- <sup>5</sup> Reference in: Betrice Gorez, September 2007; For details on the agreement see: [http://trade.ec.europa.eu/doclib/docs/2004/september/tradoc\\_113812.pdf](http://trade.ec.europa.eu/doclib/docs/2004/september/tradoc_113812.pdf)

# 1. Over-fishing is exacerbating the food crisis in Senegal

## 1.1 Fishing is a crucial sector for the food security and the economy in Senegalese<sup>6</sup>

- Fish is the principal source of proteins in Senegal and is consumed by both the rural and urban population. Fish products constitute a cheap source of animal proteins: with an annual fish consumption of around 22kg, fish provides over 70% of local protein needs. Its availability is a determining factor for food security; consumption of chicken, beef or mutton requires a relatively higher purchasing power.
- On average, one in six of the active population works in the fishing industry. Fishing generates over 600,000 direct and indirect jobs. The overall numbers directly employed in

the fisheries sector represent 7.1% of the total population and 17% of the active population. Fishing also contributes to the creation of direct and indirect jobs, and has a secondary impact on all those involved in the sector.

- **An overwhelming majority of those working in the fishing sector are women.** Women play a major role in the sector, both in processing and marketing.<sup>7</sup>

<sup>6</sup> Sustainable Development Strategy for Fishing and Aquaculture – Senegal Ministry of Fishing, December 2000

<sup>7</sup> It is estimated that women represent 2/3 of this industry, although no study has been conducted to confirm this figure.



*Women are the key actors in the Senegalese fishing industry. Here a woman is unloading fish at the beach in Hahn, one of the main fishing ports supplying Dakar.*

Most of the operations that take place at the beaches and landing quays are run by women. They manage the processing and selling and may also be involved as wholesalers.

Everyday, from dawn till dusk, women arrive at the docks to await the arrival of the pirogues (local fishing boats.) Some of them are independent sellers, while others work on commission for fishermen that ask them to sell their catch. There is also family fishing, in which the husband fishes with a small boat and the wife organises the processing and sale of the catch.

In the processing industry, almost all the jobs are performed by women. Men are only involved in the warehouses and making nets. The income from these activities supplies households with all their essential needs, such as food, medical costs and schooling for their children. But it also empowers women and gives them a stronger voice in their household and in the communities.

## 1.2 The depletion of fish stocks is exacerbating the food crisis in Senegal

In spite of the diversity of fish resources in Senegalese waters, several signs indicate that over-fishing is leading to a depletion of fish stocks, particularly when it comes to high value species, or coastal demersals<sup>8</sup>. They are in great demand, mainly for export purposes, because of their high market value.

Fishing of these species, which represent 25% of the total catch in terms of tonnage, has led to increasingly fierce competition between the traditional fishermen, who are being forced to sail further out in their pirogues, and the large industrial trawlers, which concentrate their fishing efforts on these species.

The effects of over-fishing are felt most harshly by women and threaten the food security of their families and communities. Many fishing companies are only operating part time due to the severe supply deficits of high value species and the average volume of fish exports has fallen by a total of 32% over the course of the past fifteen years. This has led to companies laying off 50-60% of their staff.<sup>9</sup>

This has placed women in a precarious situation - work is only available one day out of three and their income is reduced because of the small quantities of fish available to process. Some companies have several months of salary payments in arrears. The situation is so desperate that some companies were forced to closed down their operations. From a total of

69 companies in 1999, only 57 remain in 2008. Canning factories have practically disappeared, falling from 7 in 1980 to a single plant in 2008.<sup>10</sup>

*"If someone offered to buy my company, I would sign straight away. I'm totally demoralised," said Joe Maz, who has been in the fishing industry in Senegal for 27 years and currently runs "ROYAL PECHE" which employs around sixty people, 80% of which are women. "We have a knife against our throat; supplies are falling and I don't feel that the Government is providing enough support. At the same time, I can't imagine Senegal without fish. But this is the direction we're heading towards if we fail to protect our resources and continue to sign agreements that encourage over-fishing."*



Delivery of octopi to the Royal Pêche processing plant in Dakar.

<sup>8</sup> This group mainly includes shrimp, lobster, octopus, cuttlefish, sole, threadfin, grouper and sea bream.

<sup>9</sup> Analysis of the statistical data provided by the Department of Industrial Processing Industries in Senegal, DITP

<sup>10</sup> Numbers of companies in operation in 2008. the Department of Industrial Processing Industries in Senegal, DITP and the Study of the Costs of Compliance with Export Standards in the Senegalese Fisheries Industry, Dr Papa Ndary NIANG, 2003.

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All this increases the vulnerability of women, who provide the stabilising force behind the households. *“When I started working for ROYAL PECHE 5 years ago, there was enough fish and work nearly every day,”* explains Ndeye Maguette MBOUP, a divorced mother of 2. *“Now I can only work one day out of two or one in three. I make between 1,500 and 2,000 CFA francs (2 to 3 euros) a day and have to feed my two children and my parents on my own. It is really becoming difficult to feed my family and pay for the health and education of my two children.”*

Malnutrition is an increasing problem in the most deprived layers of society. The high demand for fish exports has also triggered a rise in local fish prices, excluding a large part of Senegalese from eating the high value species, but also increasingly from cheaper fish.

In the context of inflationary prices for agricultural products and fish scarcity, the food security of the poorest is at stake.

*“The lion’s share of the catch, particularly the high value species such as thiof and sea bream, are shipped directly to Europe. Only the less marketable species, like the sardinella, stay here”*, explains 48-year-old Awa Djigal, General Secretary of the UNOF (National Union of Organisations for Women working in the fisheries industry). She used to work in fish processing for 20 years at Hann beach, one of Dakar’s main landing sites.



Here on the right, 48-year-old Awa Djigal, General Secretary of the UNOF (National Union of Organisations for Women working in the fisheries industry) outlines the difficulties encountered by women to Senegalese rapper Didier AWADI, Ambassador for the HungerFREE campaign that was launched in more than 20 countries last year by ActionAid.

The consequences for rural communities are just as dramatic, notably in the coastal regions of Senegal that are dependent on fishing to meet their needs. This is the case for people in the Saloum Islands, 160 km to the south of Dakar.



Awa Thior sells her dried fish in the market at Foundiougne, a small town near the Saloum Islands.

## Over-fishing is making it difficult for people to feed their families, examples from the Saloum Islands.

For Fatou Bopp, aged 64 and mother of 5, the decline in the fish catch and its impact on life on Djirnda Island is clear: *“10 years ago we could earn a living from the sea. Men fished and we processed the catch. Now there are too many boats in these waters and not enough fish. We used to have three meals a day. Now we eat at most twice or sometimes only once a day.”*

For Awa Thior, a 45-year-old mother with 4 children and a resident of Djirnda Island, the depletion of the fish stocks has severe. *“My husband left the island 10 years ago because there was no longer enough fish to meet our needs. Now I do what I can to support the 8 members of my family, because my daughter is ill and unable to work or look after her children and her husband died of malaria,”* explains Mrs Thior from behind her display of smoked fish in the market at Foundiougne, a small town near the Saloum Islands, where she has been since eight in the morning, *“Both my sons also left to join my husband in Guinea, where they can still find enough fish to survive.”*



Candace Feit/ActionAid

*Women from the Saloum Islands landing fish late at night and preparing them for the skinning and smoking, which begin at eight o'clock the following morning.*

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On the island of Dionewar, in the region of Sine-Saloum, families mainly live from harvesting seafood. Here, on the right, 40-year-old Mama Codou N'Diaye is collecting seafood to feed her 9 children as her husband is too old to work. "Over the past few years, because there are not enough fish, more and more families are having to rely on collected seafood, and it's becoming much more difficult to survive just on this."

### 1.3. The Over-exploitation of resources encourages illegal immigration<sup>11</sup>

There are very few alternative opportunities for communities affected by the depletion of fish stocks, due to lack of qualifications and limited means. Migration is increasingly being perceived as the only way of survival for people within the fishing communities. Illegal immigration to Europe is one of the most obvious outcomes of the crisis. From a peak of 10,707 pirogues in 1997, the fleet declined to a mere 5,615 in 2005, representing a drop of 48%.<sup>12</sup>

32-year-old Ousmane Sarr, is a fisherman in Djirnda in the Saloum Islands. When he could no longer support himself by fishing, he attempted to emigrate to Spain on board a pirogue. "After eight days at sea we arrived in Mauritania and Ousmane's brother died on board. He was so cold at sea that he could no longer eat," says 30-year-old Lamin Doudou Sarr, who was in the same group of young people from the island who attempted to flee to Europe.

Three weeks ago they returned to the island, after the Spanish authorities stopped their boat as it was approaching the Spanish coast. "Many on the island feel in despair because there is not enough fish to feed us and we sold everything to

pay for the trip, our livestock, our boat engines, our pirogues," says Ousmane.



Lamin Sarr returns to the Saloum Islands after the failure of his 8-day crossing in a pirogue to reach Spain.

<sup>11</sup> For previous documentation of the issue see: New York Times, Europe Takes Africa's Fish, and Boatloads of Migrants Follow in [http://www.nytimes.com/2008/01/14/world/africa/14fishing.html?\\_r=1&8br&oref=slogin](http://www.nytimes.com/2008/01/14/world/africa/14fishing.html?_r=1&8br&oref=slogin)

<sup>12</sup> Annual Statistical Report of Maritime Fishing in Senegal. Department of Maritime Fishing, Senegal, DOPM

## 2. Undue practice of europeans undermine public policies to control overfishing

### 2.1. European trawlers are profiting from weak regulations and surveillance to exploit Senegalese marine resources.

For small-scale fishermen, access to marine resources is open and free. This practice reflects traditional fishing access rights. The open and free system applied to small boats (pirogues) and their operators differs from the one for industrial fishing. However, in recognition of fast-depleting stocks, public authorities are planning to set up fishing access rights and to introduce artisanal fishing permits as part of the reforms currently underway.

In the case of industrial fisheries, the Maritime Fishing Code regulates quotas on the number of boats operating, but not on fish catches nor the fishing seasons. Access to fish stocks in the Exclusive Economic Zone<sup>13</sup> is solely dependent on the acquisition of a fishing licence, renewable on an annual basis, with no limitation on the catches (quantitative and qualitative).

Industrial fishing is limited to a zone over 6 miles (9.65 kilometres) off the coast, to reserve, in principle, the coastal area for artisanal fishing. However, all too frequently, industrial vessels are found in areas reserved for small-scale fishing.

*“The large boats can clearly be seen at night from the coast. If it is possible to see them with the naked eye, it means that these boats are fishing in waters normally reserved for the pirogues,”* explains Leopold Djile Sarr, director of the quay at Djifer, a fishing village of around 2000 people located at the end of a narrow band of land running from the tip of Sangomar in the administrative region of Fatick. Djifer is often used as a starting point for pirogues leaving to fish in the Saloum delta, or in the near by seas.

Fishing authorities also have problems controlling boats that move from one fishing zone to another while crossing borders. *“Trawler owners play with the different licences and if they can’t get a licence from Senegal, they have no problem obtaining one from a neighbouring country,”* explains Mr Mboup. *“This shows how important it is for the surveillance services in this sub-region to join forces in controlling these trawlers”.*

### 2.2. The Senegalese government’s efforts to reduce access to dwindling resources: the non-renewal of fishing agreements.

Years of overfishing, fuelled by the influx of large European trawlers to Senegalese waters through fishery access agreements, has resulted in increasing competition and conflicts over access to fish stocks.

For almost three decades European vessels have been fishing in West African waters through Fishery Access Agreements signed by the European Union and individual countries in the region. These agreements basically provide European boats with access rights in waters of third countries, in exchange for financial compensation. They came about in response to the fact that “European waters are suffering from overexploitation, causing European fishing fleets to seek their riches elsewhere”.<sup>14</sup>

While several measures have been introduced over the years - these agreements have now evolved into Fishery Partnership Agreements<sup>15</sup> - to regulate access of European vessels<sup>16</sup>, they

<sup>13</sup> The legal basis for the EEZ can be found in the United Nations Convention on the Law of the Sea (the so-called Montego Bay Convention, signed on December 10th 1982). The exclusive economic zone shall not extend beyond 200 nautical miles (370.4 km) from the baselines from which the breadth of the territorial sea is measured. (Article 57).

“In the exclusive economic zone, the coastal State has:

Sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters surjacent to the seabed and of the seabed and its subsoil, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds;

Jurisdiction with regard to the establishment and use of artificial islands, installations and structures, marine scientific research, the protection and preservation of the marine environment.”

<sup>14</sup> Pieter van der Gaag et al., Trade Matters, Fisheries in Senegal and Mauritania, IUCN/Both ENDS, June 2005

<sup>15</sup> For more details see the Agritrade fisheries website: [http://agritrade.cta.int/en/fisheries/acp\\_eu\\_fisheries\\_relations](http://agritrade.cta.int/en/fisheries/acp_eu_fisheries_relations)

<sup>16</sup> These measures include: limitation of catch allowances, reduction of the fishing zone, biological rest

are still playing a major role in the depletion of fish stocks in Senegalese waters<sup>17</sup>.

**This situation** prompted the Senegalese government not to renew fisheries access agreements in 2006, in an attempt to reduce the pressure on fish stocks and to give small scale fishermen and national companies better access. However in a bid to attract overseas investment, the government allowed joint ventures to operate in the sector. Also, Senegal has only one canning factory currently in operation, the government signed bilateral agreements<sup>18</sup> with France and Spain for the pole-and-line tuna boats.

Foreign vessels in principle are subject to specific rules and controls, which can be considered measures of “positive discrimination” compared to the national fleets.

Specifically the government wanted to build up Senegal’s fish processing plants and provide women with job opportunities. The idea being that the high value species – which were previously shipped directly abroad by European trawlers – would now need to be partially landed and processed locally adding jobs and value.

However, these attempts have been undermined by European operators seeking to control Senegalese marine resources through the “Senegalisation” of European vessels, the buying out of Senegalese fishing quotas and the repatriation of capital. As a result there are few long-term benefits for the local people, threatening the sustainability of stocks and ultimately the development of the local economy.

As Madame Ndeye Tické DIOP NDIAYE, Director of the Fish Directorate at the Senegal Maritime Economics Ministry explains:

*“Unfortunately the problem of over-fishing is not restricted to Senegal, but exists throughout the sub-region. It is also quite obvious that the contribution made by Europe to this over-fishing has not helped us. Europe began to fish our waters during the colonial period, and carried on afterwards, thanks to fishing agreements that only terminated in 2006.”*

### 2.3 How European operators are bypassing existing rules

Joint ventures companies can be established under Senegalese law with mixed national/foreign capital, provided that a Senegalese investor maintains a majority share (at least 51%).

In Senegal, this situation is particularly rife in the tuna fishing industry, with at least 10 French and Spanish pole-and-line tuna boats in Senegalese waters, despite the suspension of fishing access agreements. This situation has arisen because industrial tuna fishing is an activity requiring high investment.

For foreign vessels there is an obligation to land a certain quota of catches in Senegalese ports (usually 60%), which is intended to prioritise local Senegalese processing plants, but in the case of “Senegalised” vessels, there is no such obligation. There is also the extensive practise of transshipment<sup>19</sup> of fish, which goes directly to Europe, with little, if any, processing and value adding in Senegal.

In the processing sector, the majority of companies are joint ventures. While European investment can sometimes benefit the Senegalese economy, insofar as the primary processing is carried out locally, most of the profit is derived from sales in Europe. In the case of fishing joint ventures, “over 80% of the added value generated accrued to the European operators, with only 19% to the third countries.”<sup>20</sup>

European fishing professionals can bring their know-how and capital into these joint ventures, in order to develop the processing industries in Senegal. However, local Senegalese very rarely play any genuine major role in the management of these companies.

<sup>17</sup> For more details on fisheries agreements and the impact of European fishing practice, including illegal ones, see: Pieter van der Gaag et al., Trade Matters, Fisheries in Senegal and Mauritania, IUCN/Both ENDS, June 2005; and several documents in [http://acp-eu.euforic.org/civsoc/by\\_theme/141.htm](http://acp-eu.euforic.org/civsoc/by_theme/141.htm)

<sup>18</sup> The Dakar Protocol of July 12th-13th 2006

<sup>19</sup> In this case the term specifically indicated the transfer of fish from (smaller) boats to a (bigger) one in the seas for immediate transport to Europe without landing of catch in Senegal

<sup>20</sup> Beatriz gorez, September 2007, pag. 1

## The “Senegalisation” of boats as a method of cumulating fishing licences

The past few years have witnessed the development of what is referred to in the industry as the “Senegalisation” of boats, which means the increasing numbers of boats flying the Senegalese flag, but which are primarily financed and run by Europeans.

*“The technique is simple,” continues Mr Diouf. “A European ship owner forms a joint venture to enable his boats to fly the Senegalese flag. This allows him to avoid strict controls and access to fish in waters reserved to Senegalese boats.”*

“One of the conditions for flying the Senegalese flag is that 51% of the capital must be Senegalese. The easiest is to set up a joint venture,” confirms Mrs Ticke Diop N'Diaye, Director of the Fisheries Department at the Senegalese Ministry of Maritime Economy.

“Out of this list of 94 boats, 15 at most are genuinely Senegalese. The others are all foreign vessels or boats that have found some way of acquiring a Senegalese flag,” explains Mr Diouf.

*“You see, I know most of these boats. Before, when they were flying European flags, I was better able to keep an eye on them. It’s much more difficult now. But I have to admit that the authorities are doing nothing about it.”* comments Mr Diouf.

These boats, which are often large trawlers of up to 500 tons, continue their activities and accumulate licences allowing them to fish both in coastal waters and in deep waters, where the most lucrative catches are.

### Processing fish products outside Senegal

“The large tonnage fishing vessels mainly send their catches directly to Europe. *The product is landed at Dakar and then forwarded directly to Europe on cargo ships.*” explains Mr Diouf.

## 2.4 Limitations inherent in policies designed to attract investors and to orientate the industry purely towards exports to Europe.

For several years, Senegal has been encouraging companies to process fish for export. It set up two schemes, the “Point Franc” and subsequently the “Entreprise Franche d’Exportation” (Free Exporting Enterprise).<sup>21</sup>

In short these schemes provide tax holidays, duty free imports of equipment and exports of manufactured good as well as special status to employ foreign staff and the right for full repatriation of profits.

In practice, this investment promotion has not boosted economic development with long term benefits and returns for the national economy.

National resources were sold-off, causing the current fish crisis, particularly in high value species; and the repatriation of capital and the little reinvestment in the national economy resulted in little real gains for the country and its economy.

It has been estimated that revenue losses related to the reduction of taxes on profits for this sector are in the region of 20 billion CFA francs (30 million Euros) annually.

In addition, as companies are exempt from customs tariffs and duties for both imports and exports, there is an extra shortfall for the national economy, estimated to be over 80 billion CFA francs (120 million Euros) a year.

<sup>21</sup> In order to encourage the development of exports, the Senegalese Government established the Free Export Enterprises under Act no. 95/34 of December 29th 1995, amended by Decree no. 96-869 of October 15th 1996. This new status extended the advantages and simplified the procedures relating to the former systems, namely the Free Industrial Zone of Dakar - created in 1974- and the Free Points of Senegal - created in 1986.

Companies having the status of free points and manufacturing companies installed in the Free Industrial Zone of Dakar could opt for the status of Free Export Enterprise. Conditions for eligibility: The status of Free Exporting Enterprise is offered to industrial or agricultural companies (in a wider sense this includes horticulture, forestry, animal husbandry, fishing and aquaculture) based in the Senegalese customs territory. Companies are eligible if they produce primarily for exports purposes (at least 80% of their turnover).

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Finally an employer may, after discussions with employee representatives, may decide to lay-off all or part of the staff. This situation happens now with companies that are several months in arrears with salary payments and who may well end up not paying them at all.

Several companies have closed down, leaving Senegalese women workers and the country worse off.

There are certainly large companies based in Senegal that comply with all their obligations, contribute to meeting internal demand and provide some gains to the country, but overall overseas investment has not benefited the local population or the Senegalese economy.

The paradox is that these measures were designed as an incentive for overseas investors to export products to Europe, overlooking the demand for fish products and marketing development potentials within the region.

It has been estimated that the demand for smoked or salted fish in African markets will grow by 25% by 2010. Currently, exports of processed products amount to about 18000 tons a year equivalent to a turnover of 13 billion FCFA. Locally processing fish, which is a labour intensive activity, would especially benefit local women.

With regard to the export of fresh or frozen fish, both purchasing power and food habits are key limiting factors for development potentials within the subregion. So, while European markets will remain important for higher value species such as shrimps, sole and octopus, there is a potential to increase exports to emerging economies in Africa, such as Tunisia, Egypt and South Africa. ROYAL PECHE is already exporting to Tunisia and South Africa. Other joint ventures operating in the processing industries are trying to follow suite.



*Traditional fishermen unloading their catch at Dakar's Hahn beach have been sorely hit by the over-exploitation of maritime resources.*

### 3. The consequences of signing the EPAs for the Senegalese fisheries sector

#### 3.1 New trade relations: the Economic Partnership Agreements

Africa, Caribbean and Pacific countries, known as ACPs, are currently negotiating new trade relations with the European Union to replace the old system of trade preferences. Senegal is part of the ECOWAS<sup>22</sup> + Mauritania negotiating block.

These negotiations were started after more than 30 years of unilateral preferential access to European markets did not bear the expected fruits, leaving ACP countries still struggling to integrate into the global economy. Furthermore the unilateral preferences provided by the EU to ACP countries under the Cotonou Agreement (and previously by Lomé Conventions) are not compatible with the existing rules of the World Trade Organisation.

The objective of Economic Partnership Agreements (EPAs) is sustainable development and the gradual integration of ACP countries in a global economy via regional integration. EPA negotiations were to be informed by the principle of partnership, to ensure WTO compatibility and not to leave ACPs worse off. Squaring the circle of all these commitments was always going to be a challenging job.

Negotiations started in 2002 and were scheduled to be completed by December 2007, in time for the expiry of the waiver granted by the WTO. Since their inception, the negotiations have been marked by hurdles and arguments over substance and process. In 2007, the EPA review provided an opportunity to check if negotiations were on track and were delivering on their pro-development objectives<sup>23</sup>. The conclusions of the review, conducted by the UN Economic Commission for Africa were unequivocal, when they stated that negotiations were “not sufficiently inclusive”, suffered from “lack of transparency” and that delays were due to “lack of capacity [...] to conclude the negotiations and also to implement the agreed EPAs”<sup>24</sup>. In spite of these conclusions, the European Commission has moved ahead in the negotiations at a pace much faster than the ACPs could handle.

By December 2007, the date initially scheduled for completion, less than 50% of ACP countries had signed an EPA. Senegal was one of the countries that refused to sign, highlighting their concerns that the development dimension of the agreements had been largely overlooked by the European Commission.

In West Africa, only Ghana and Ivory Coast have initialled interim EPAs, to avoid the risk of trade disruption<sup>25</sup>. Such interim agreements cover only trade in goods, the only area of trade concerned by WTO compatibility.

#### 3.2 An analysis of the services and investment provisions of the EPA text

The European Commission considers the interim agreements as a building block towards full EPAs, to be extended to the entire region and to include the highly contentious “Singapore Issues”, i.e. provisions for liberalisation on investment, services, competition and public procurement, already rejected by developing countries in the context of the Doha round of multilateral trade negotiations (WTO)<sup>26</sup>.

The EU has been emphasising the need to attract more foreign investment and is lobbying for the inclusion of such provisions in the EPAs. In March 2007, Commissioner Mandelson declared that “If we want [...] economic growth to enable us to tackle poverty amongst ACP populations we need better functioning, more efficient integrated regional markets and we need foreign investment. Both things require a framework of regulations which together create a rules-based business

<sup>22</sup> Economic Community of West African States

<sup>23</sup> The review took place on the basis of Art 36.7 of the Cotonou agreement. Subsequently, the ACP Council mandated that reviews be conducted in all regions. The ACP Secretariat and the African Union Commission requested the ECA to carry out the all Africa review.

<sup>24</sup> UNECA, EPA Negotiations: African Countries Continental Review, African Trade Policy Centre, February 2007, pag. 5, 6, 7 and 9.

<sup>25</sup> faced with the risk to lose preferential market access

<sup>26</sup> Singapore issue were rejected by developing countries at the WTO Ministerial Conference in Cancun in 2005 and were the main cause of the failure of the Ministerial conference.

### Hands off my fish! (SelfISH Europe)

How the Economic Partnership Agreements will further contribute to the decline of fish stocks and exacerbate the food crisis in Senegal

environment that supports investment and diversification because it creates a predictable legal context and an efficient transit of goods. [This is] the bread and butter of everyday economic and business life"<sup>27</sup>.

The present analysis is based on the draft EPA text proposed by the European Commission to West Africa in April 2007. It uses the case of Senegal as an example, but – since the negotiations take place at regional level – the conclusions are valid for the entire region.

While investments are not included as a separate chapter, this does not mean that the European Commission has not included them in the EPAs. An analysis of the text reveals that the Commission has just changed tactics by introducing investment provisions, a sensitive issue for West Africans, under the chapters on trade in services and establishment. With this approach, the European Commission is trying to overcome the regional resistance to negotiating these areas. The European Commission's proposal also includes conditions that are more binding than the ones included in various proposals submitted to the WTO.

The text of the European proposal on services leaves little space for doubt about its real intentions. The article on "establishment" indicates that the strategy is to ensure that a European service operator has the right to establish itself on the territory of a West African country and then make use of the rules and provisions under the services chapter to invest and operate. At the same time, the rules on "national treatment" will ensure that European companies will have to be treated on the same basis as national ones.

### 3.3 The implications for the fisheries sector: locking in European fishing industry access and the over-exploitation of fish stocks

If full EPAs are signed, the liberalisation of the fisheries sector would open the door for European companies to establish themselves and operate in the fisheries sector. The Senegalese government will no longer be able to introduce policy measures that limit access to fishing or introduce discriminatory and more onerous measures for foreign operators, such as the obligation of an inspector on the boats or to land a part of the catch.

Furthermore, European operators would no longer need to set up joint ventures with locals in order to operate in Senegal and fishing quotas would need to be opened up to European investors, increasing competition between local and foreign operators.

An obvious risk inherent in the liberalisation measures expected from the EPAs is that more European boats will sail into Senegalese waters with no obligation to land their catch in Senegal.

The EPAs could thereby increase the pressure on fish stocks and result in less opportunity for the local industry to process fish, since European boats prefer to ship it directly to Europe. In this case there is likely to be a wave of company closures and a steep drop in income for female employees, job losses in the processing industries as well as a fall in traditional processing activities due to a lack of raw materials. The EPAs would thereby place the food security of hundreds of thousands of women who live off fishing at risk.



Women who play a vital role in feeding the family through sales of fish at the markets are the hardest hit by over-fishing.

Mr Dame MBOUP, Director of Fishing Protection and Surveillance sums up the situation: *"As they have been presented to us, the agreements would only affect industrial fishing, which represents a minority in terms of the percentage of fish caught. But it is precisely these fish, which have a high added value, which are referred to as high value species and the juvenile fish, which have the greatest impact on the collapsing fish stocks, the reproduction of species and the maintenance of the ecosystem. In the end, the over-fishing of these species will affect the life of the entire population of Senegal."*

<sup>27</sup> Speech of Commissioner Peter Mandelson at the ACP – EU Joint Ministerial Trade Committee, 1 March 2007, Brussels

The establishment of European fishing companies benefiting from reciprocal treatment could threaten the future of Senegalese fishing companies because of their low level of competitiveness and the subsidies paid by the European Union to its national companies.

This likely negative impacts will be:

- The worsening of the food crisis
- The loss of work and revenues for women, with a direct impact on livelihoods
- The loss of control by the government over a strategic sector
- A loss for the national economy
- A strong incitement to illegal emigration

## Conclusions and recommendations

The European Union can satisfy only 50% of its internal demand for fish from its own fish resources. The deficit has been filled for years through access to the fishing grounds of the ACP countries. Fishery Access Agreements, which were then replaced by Fisheries Partnership Agreements, enabled European fleets to fish in ACP waters in exchange for “access fees.”

Since these access fees often represent a significant percentage of government income, they tempted West African countries to open up their fishery resources to foreign operators and contributed to the over exploitation of maritime resources, without offering corresponding advantages in terms of long term development.

But, at the same time, countries such as Senegal are attempting to develop their own fish processing industries, in order

- To guarantee food security for its population
- To preserve and develop both direct and indirect employment in this sector, particularly for women
- To bring added value to their exports, thereby reaping higher profits.

Wary of dwindling fish stocks, in 2006 the Senegalese government decided not to renew the Fisheries Agreements. Nevertheless, the “Senegalisation” of European boats, the buy out and cumulation of quotas, trans-shipment and the repatriation of capital have all continued undermining the government’s attempts to manage access to and control over stocks.

European fishery operators present in Senegalese waters contribute significantly to the overexploitation of fishing stocks and provide little long term gains for the industry and the women that work in it. The full Economic Partnership Agreements proposed by the European Commission, which include services and investment provisions, are likely to lock in and worsened such practise, with negative impacts for the country, both in socio-economic and environmental terms.

ActionAid believes that the services and investment provisions being promoted by the European Union in the

EPAs are likely to further exacerbate the overexploitation of already depleted fish resource in ACP countries and undermine the economic livelihoods of women, the food security of people in the subregion, and therefore they must be rejected.

The results of this study lead us to recommend:

**1. Full EPAs – including services and investment provisions - undermine the right to food of millions of Senegalese and therefore must be rejected. The EU need to provide an opportunity to West African countries to renegotiate interim agreements without making them conditional to signature of full EPAs.**

For EPAs to be development friendly, they will have to fully take into consideration socio-environmental and food security impacts. It would be dangerous to evaluate EPAs only in terms of their economic outcome. Past experience confirms that the fisheries agreements and policies to promote investment and exports have had a negative effect on the food security of the local population.

**Services and investment provisions included in the EU proposal would exacerbate overexploitation of fish by European vessels and increase the food insecurity of Senegalese people.**

**2. The EU needs to address the lack of coherence in EPAs and FPAs on regional integration**

Europe’s approach to the Economic Partnership Agreements (EPAs) and Fisheries Partnership Agreements (FPAs) reveals a lack of openness towards its ACP partners and a lack of coherence. Whereas the EPA negotiations take place between the region (ECOWAS + Mauritania), Fisheries Partnership Agreements remain bilateral decisions, between the EU and individual ACP countries. This enables the EU to negotiate from a position of strength, not only because of the intrinsic imbalance between a major bloc such as the EU and individual ACP nations, but also due to the nature of the stocks to which European fleets are seeking access.

Because species such as tuna and shrimp overlap the exclusive economic zones of neighbouring countries, the EU is able to seek access to these stocks from any of the coastal states, which increases competition within the region itself. These concerns have led to appeals for a regional approach to agreement negotiations. Senegal and other West African countries such as Mauritania, Gambia, Guinea and Cape Verde, have established a regional framework for dialogue and cooperation on fishing issues to harmonise conditions governing access to stocks and resist the European strategy.<sup>28</sup>

The Economic Community of West African States (ECOWAS)<sup>29</sup> also recently proposed to set up a framework agreement governing the main principles for fisheries negotiations, in order to ensure that future agreements meet regional integration objectives. This type of regional approach is essential to ensure the survival of the sector.

### 3. West African countries need to further explore opportunities for sub-regional trade in fishery products

The potential for socio-economic development in the sub-region, particularly among members of the West African Economic and Monetary Union, is enormous.

The African market provides a growing demand for traditionally processed products, such as smoked, salted or dried fish, whereas the European market has more specific requirements, such as fresh fish, frozen whole fish, canned and filleted fish.

The principal export markets for traditionally processed products are Burkina Faso and the Central African states. For frozen products, in addition to the bordering countries, the regions of Northern and Southern Africa could become flourishing markets and might in time be even more lucrative destinations for certain products that have to date been exported to Europe.

*“Fishing professionals in Senegal are becoming increasingly interested in focusing on the African market, whether this be the Maghreb, Central Africa or South Africa, because it is interesting in terms of the financial returns,”* explains Joe MAZ, Director of the “ROYAL PÊCHE” company in Dakar.



### 4. Better management and conservation of fish stocks through a permanent suspension of the fisheries agreements, the imposition of biological rest periods and reinforced surveillance of territorial waters

As Mrs Ndeye Tické DIOP NDIAYE, Director of Maritime Fishing in Senegal explains. *“The agreements currently proposed by the European Union are not advantageous to both parties. Fish are a little like forests in that they are an exhaustible resource that should be protected. This is why if we want to keep fish in our seas and to ensure that stocks are replenished, biological rest periods are essential, which means that fishing must be prohibited at certain times of the year in order to allow the species to reproduce”*

It is essential for the sustainability of this sector that stocks be preserved for future generations. From this perspective, it is essential for fish resource management that a biological rest period be imposed to facilitate controlled species management.

But it is also essential to reinforce coastal surveillance in order to limit illegal fishing which also places a burden on fish stocks.

<sup>28</sup> M.D. Gueye “Incertitudes à l’horizon dans les relations UE-ACP sur les pêcheries” in Passerelles vol 8 no 4. 2007

<sup>29</sup> The Economic Community of West African States (ECOWAS) is a regional group of fifteen countries founded in 1975. Its mission is to promote economic integration in “all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters.”

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